

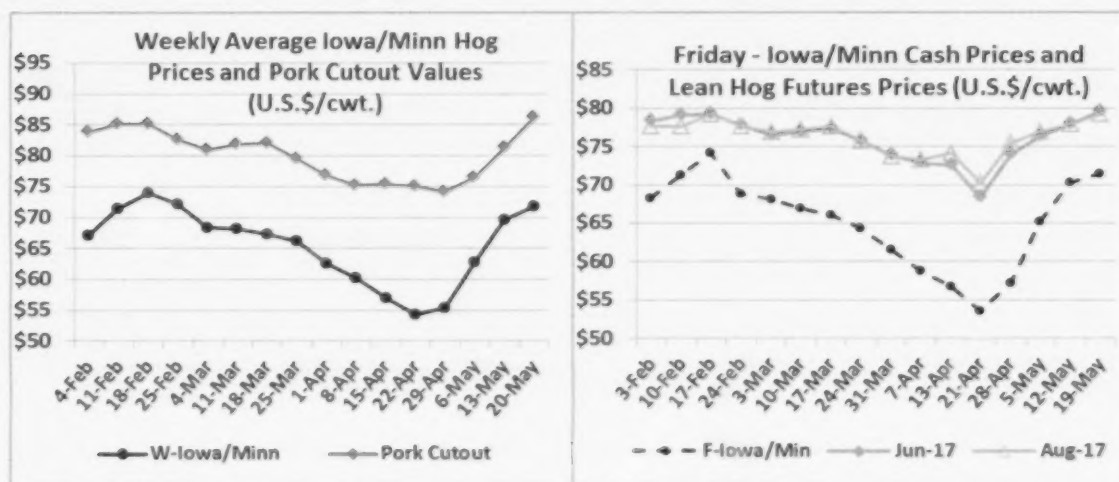
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Weekly Hog Report

May 23, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged higher last week. Hog prices on Friday May 19 averaged US\$71.34 per cwt, up US\$1.11 per cwt or 1.6 per cent from US\$70.23 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$71.66 per cwt, up US\$2.11 per cwt or 3.0 per cent from US\$69.55 per cwt the previous week. Slaughter weight cash hog prices continued higher with seasonal strength and continued good packer margins on higher pork cutout values.



Source: LMIC

Source: LMIC, CME

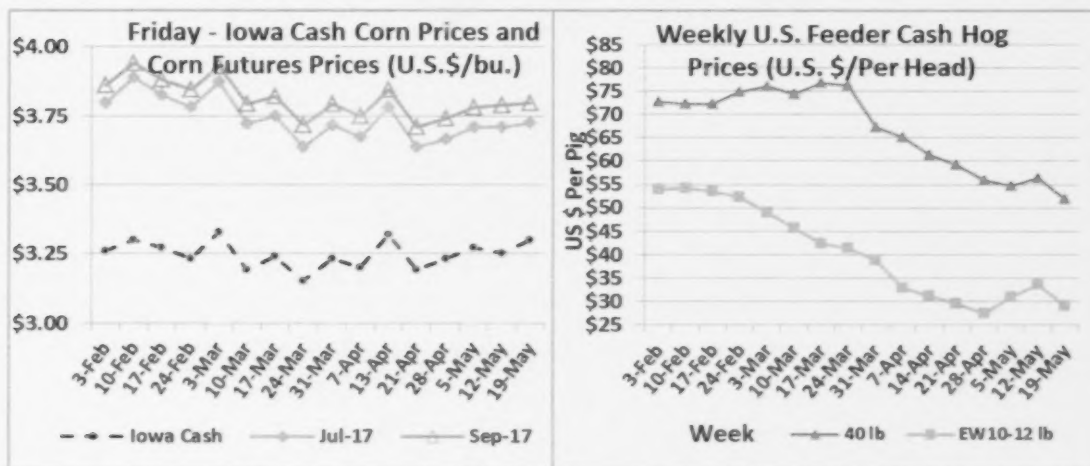
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday May 19, 2017 was \$179.68 per ckg, up \$5.09 per ckg or 2.9 per cent from \$174.59 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$178.01 per ckg, up \$9.93 per ckg or 5.9 per cent from the previous weeks' average price of \$168.08 per ckg. The Canadian dollar moved higher to settle last Friday at 73.83 cents, up 0.91 cents from 72.92 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week but overall higher to help weekly prices move higher, week-over-week. The nearby June lean hog futures contract increased US\$1.550 per cwt last week to settle Friday at US\$79.500 per cwt; while the July lean hog futures contract increased US\$1.575 per cwt to settle last Friday at US\$80.175 per cwt. Pork cutout values increased six per cent over the week with increased pork demand helping futures prices move higher.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US\$29.12 per head, down US\$4.48 per head or 13.3 per cent from US\$33.60 per head the previous week. Feeders (40lb) averaged US\$51.71 per head, down US\$4.71 per head or 8.3 per cent from US\$56.42 per head, the previous week.



Source: LMIC

Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US\$3.30 per bushel, up five cents from US\$3.25 per bushel the previous Friday. Corn futures were overall steady, week-over-week. The July contract was up 1½ cents to settle Friday at US\$3.72½ per bushel; while the September contract increased less than one cent to settle Friday at 3.79 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 20 were estimated at 2.249 million head, down 0.4 per cent from 2.258 million head the previous week, but up 6.3 per cent from 2.115 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.269 million head, up 5.2 per cent from 2.157 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 13, 2017 were estimated at 415,269 head, up 1.2 per cent from 410,446 head the previous week, and up 2.2 per cent from 406,298 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 410,923 head, up 1.7 per cent from 404,216 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 8,000,011 head, up 1.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending May 13, 2017 averaged 174,702 head, up 4.5 per cent from 167,158 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 3,299,786 head in 2017, up 2.4 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending May 20, 2017 was estimated at 478.2 million lb., down 0.5 per cent from 480.8 million lb. the previous week, but up 6.4 per cent from 449.3 million lb. the same week a year ago. Pork production over the last four week's ending May 20 was estimated to average 482.0 million lb., up 4.9 per cent from 459.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 20 was estimated at 482.3 million lb., down 1.3 per cent from 488.9 million lb. the previous week, but up 0.8 per cent from 478.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 13, 2017, was estimated to average 2.105 billion lb., up 1.6 per cent from 2.073 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(May 13) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	466.5	485.1	4.0%	3.1%
Beef	479.3	488.4	1.9%	4.7%
Chicken	990.4	994.7	0.4%	0.5%
Turkey	136.5	137.0	0.4%	0.9%
Total	2,072.7	2,105.2	1.57%	2.06%

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending May 20, 2017 averaged US\$86.11 per cwt, up US\$4.86 per cwt or 6.0 per cent from US\$81.25 per cwt the previous week, and up 3.1 per cent from US\$83.50 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending May 20, 2017 averaged US\$248.36 per cwt, up US\$3.81 per cwt or 1.6 per cent from US\$244.55 per cwt the previous week, and up 10.0 per cent from US\$225.72 per cwt the same week a year ago. Choice beef cutout prices reached levels not established since July 2015.

Average chicken cutout values (breast) for the week ending May 20, 2017 averaged US\$153.73 per cwt, up US\$8.84 per cwt or 6.1 per cent from US\$144.89 per cwt the previous week, and up 22.1 per cent from US\$125.87 per cwt the same week a year ago.

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